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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re	}	No.	01-30923 DM
PACIFIC GAS AND ELECTRIC		Chapter	11
COMPANY,		Date:	July 2, 2002
Debtor.		Time:	9:30 a.m.
		Ctrm:	Hon. Dennis Montali 235 Pine Street, 22 nd Floor San Francisco, California

**DECLARATION OF PATRICIA A. MARTIN IN SUPPORT OF UNITED STATES
TRUSTEE'S OBJECTION TO PROFESSIONAL FEE APPLICATIONS**

I, Patricia A. Martin, declare:

1. I am a Bankruptcy Analyst employed by the United States Department of Justice, Office of United States Trustee for the Northern District of California. I am the U.S. Trustee bankruptcy analyst who has been assigned to review and monitor the professional fees in the Chapter 11 Pacific Gas and Electric Company case.

2. Pursuant to the court's Order Establishing Interim Fee Application and Expense Reimbursement Procedure, entered July 26, 2001, the Office of the U.S. Trustee has received electronic transmissions of various professionals' monthly invoices and formal fee applications. These electronic transmissions have been uploaded into a database, data from which can then be downloaded into an Excel spreadsheet which allows an in-depth

analysis of each fee application using a variety of methods.

3. **Overview Analyses.** Based upon the firms' electronic transmissions and using Excel software, I have prepared overviews of various firms' second fee applications, as follows:

4. **Exhibit "A" – Summary of Professional Fees Incurred and as Noticed for Hearing for Period 4/6/01 through 3/31/02 & by Major Focus Area, as Defined by U.S. Trustee for Review Purposes.**

Exhibit "A" provides a summary of fees and expenses requested by each firm seeking interim compensation by prior billing periods (April - November, 2001), current billing period (November 2001 to March 2002) and cumulative case to date (April 2001 to March 2002). Additionally, the fees are then broken down into certain "focus areas" which I created. The firms' separate billing categories were included in each focus area, as appropriate, after a careful review of time entries to determine the nature of the firm's services. Exhibits B through F, discussed below, are supportive schedules to Schedule A.

5. **Exhibit "B" – Summary of Professional Fees Incurred from 4/6/01 through 3/31/02 Related to Impasse Between PG&E, the CPUC, Department of Water Resources, State of California, Cal ISO and Cal PX.**

Exhibit "B" summarized the time entries submitted by all firms seeking compensation for work related to the disputes between PG&E, the State of California and its agencies and the CPUC. I created this "focus area." I took the time categories directly from the firms' fee applications. I made the decision to include certain categories of time for each professional's application after carefully reviewing the time entries to determine whether it was appropriate to include the category in this summary.

6. **Exhibit "C" – Summary of Professional Fees Incurred from 4/6/01 to 3/31/02 related to PG&E's Disclosure Statement & Plan, Plan Implementation and Plan Prosecution.**

Exhibit "C" summarizes the time entries submitted by the firms relating to work on the debtor's plan, disclosure statement and implementation of that plan through various regulatory bodies. I created this "focus area." I took the time categories directly from the

1 firms' fee applications. I made the decision to include certain categories of time for each
2 professional's application after carefully reviewing the time entries to determine whether it
3 was appropriate to include the category in this summary.

4 **7. Exhibit "D" – Summary of Professional Fees Incurred from April 6, 2001**
5 **through 3/31/02 Relating to Mediation and Opposing Plans of Reorganization.**

6 Exhibit "D" summarizes the time and fees incurred by the professional firms relating
7 to issues arising out of the court-ordered mediation and the opposing plans of
8 reorganization. I created this "focus area." I took the time categories directly from the
9 firms' fee applications. I made the decision to include certain categories of time for each
10 professional's application after carefully reviewing the time entries to determine whether it
11 was appropriate to include the category in this summary.

12 **8. Exhibit "E" – Summary of Professional Fees Incurred from April 6, 2001**
13 **through 3/31/02 – Qualifying Facilities, Power Producers and Suppliers**

14 Exhibit "E" summarizes the time and fees incurred by the professional firms relating
15 to issues arising out of the qualifying facilities issues. I created this "focus area." I took the
16 time categories directly from the firms' fee applications. I made the decision to include
17 certain categories of time for each professional's application after carefully reviewing the
18 time entries to determine whether it was appropriate to include the category in this
19 summary.

20 **9. Exhibit "F" – Summary of Professional Fees Incurred from 4/6/01 to**
21 **3/31/02 – Other Focus Areas**

22 Exhibit "F" summarizes time spent by the professional firms relating to general
23 bankruptcy issues, claims analysis, review and resolution and other regulatory matters. I
24 created the "focus areas." I took the time categories directly from the firms' fee
25 applications. I made the decision to include certain categories of time for each
26 professional's application after carefully reviewing the time entries to determine whether it
27 was appropriate to include the category in this summary.
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1 **10. Exhibit “G” – Howard Rice Firm**

2 **Exhibit “G-1” Howard Rice Firm – Summary by Focus Area**

3 Exhibit “G-1” summarizes the time and fees incurred by the Howard Rice firm. My
4 summary is based on extractions of data I pulled from the firm’s electronically submitted
5 time sheets. I created the “focus areas.” I took the time categories directly from the firm’s
6 fee applications. I made the decision to include certain categories of time for each
7 professional’s application after carefully reviewing the time entries to determine whether it
8 was appropriate to include the category in this summary.

9 **Exhibit “G-2” Howard Rice Firm – by Attorney**

10 Exhibit “G-2” summarizes the time and fees incurred by the Howard Rice firm by
11 attorney. I extracted the time entries directly from the electronically submitted fee
12 applications based on the timekeeper’s name.

13 **11. Exhibit “H” – Heller Firm**

14 **Exhibit “H-1” Heller Firm – Summary by Focus Area**

15 Exhibit “H-1” summarizes the time and fees incurred by the Heller Ehrman firm. My
16 summary is based on extractions of data I pulled from the firm’s electronically submitted
17 time sheets. I created the “focus areas.” I took the time categories directly from the firm’s
18 fee applications. I made the decision to include certain categories of time for each
19 professional’s application after carefully reviewing the time entries to determine whether it
20 was appropriate to include the category in this summary.

21 **Exhibit “H-2” Heller Firm – Top Billing Categories – Current Period**

22 Exhibit “H-2” summarizes the time and fees incurred by Heller Ehrman by the size of
23 the billing categories. I took the time categories directly from the electronically submitted
24 fee applications.

25 **Exhibit “H-3” Heller Firm – by Attorney**

26 Exhibit “H-3” summarizes the time and fees incurred by the Heller Ehrman firm by
27 attorney. I extracted the time entries directly from the electronically submitted fee
28 applications based on the timekeeper’s name.

1 12. **Exhibit “I” – Skadden Firm**

2 **Exhibit “I-1” Skadden Firm by Matter**

3 Exhibit “I-1” summarizes the Skadden firm’s fee application by category and hours
4 billed. Exhibit “I-1” is taken from the electronically submitted time sheets.

5 **Exhibit “I-2” Skadden Firm by Attorney**

6 Exhibit “I-2” summarizes the time and fees incurred by the Skadden firm by attorney.
7 I extracted the time entries directly from the electronically submitted fee applications based
8 on the timekeeper’s name.

9 13. **Exhibit “J” – Cooley Firm**

10 **Exhibit “J-1” Cooley Firm by Matter Focus Area**

11 Exhibit “J-1” summarizes the Cooley firm’s fee application by category and hours
12 billed. Exhibit “J-1” is taken from the electronically submitted time sheets.

13 **Exhibit “J-2” Cooley Firm by Attorney**

14 Exhibit “J-2” summarizes the time and fees incurred by the Cooley firm by attorney. I
15 extracted the time entries directly from the electronically submitted fee applications based
16 on the timekeeper’s name.

17 14. **Exhibit “K” – Deloitte & Touche**

18 Exhibit “K” summarizes the time and fees incurred by Deloitte & Touche on
19 category/matter basis. I extracted the time and categories directly from the electronically
20 submitted fee applications based on the categories the firm employed.

21 15. **Exhibit “L” Milbank, Tweed**

22 **Exhibit “L-1” Milbank Firm by Matter**

23 Exhibit “L-1” summarizes the Milbank firm’s fee application by category and hours
24 billed. Exhibit “L-1” is taken from the electronically submitted time sheets. My summary is
25 based on extractions of data I pulled from the firm’s electronically submitted time sheets. I
26 created the “focus areas.” I took the time categories directly from the firm’s fee
27 applications. I made the decision to include certain categories of time for each
28 professional’s application after carefully reviewing the time entries to determine whether it

was appropriate to include the category in this summary.

Exhibit “L-2” Milbank Firm by Attorney

Exhibit “L-2” summarizes the time and fees incurred by the Milbank firm by attorney. I extracted the time entries directly from the electronically submitted fee applications based on the timekeeper’s name.

Exhibit “L-3” Milbank Firm Top Billing Categories

Exhibit “L-3” summarizes the time and fees incurred by the Milbank Firm by the size of the billing categories. I took the time categories directly from the electronically submitted fee applications.

16. Exhibit “M” – PricewaterhouseCoopers

Exhibit “M-1” PricewaterhouseCoopers by Matter

Exhibit “M-1” summarizes the PricewaterhouseCoopers firm’s fee application by category and hours billed. Exhibit “M-1” is taken from the electronically submitted time sheets. My summary is based on extractions of data I pulled from the firm’s electronically submitted time sheets. I created the “focus areas.” I took the time categories directly from the firm’s fee applications. I made the decision to include certain categories of time for each professional’s application after carefully reviewing the time entries to determine whether it was appropriate to include the category in this summary.

Exhibit “M-2” PricewaterhouseCoopers by Professional

Exhibit “M-2” summarizes the time and fees incurred by the PricewaterhouseCoopers firm by professional. I extracted the time entries directly from the electronically submitted fee applications based on the timekeeper’s name.

17. Exhibit “N” – Ernst & Young (7/1/01 to 3/31/02)

Exhibit “N” summarizes Ernst & Young’s fee application by category of work. The exhibit is taken directly from the electronic entries the firm supplied this office.

18. Exhibit “O” – The Brattle Group, Inc.

Exhibit “O” summarizes the Brattle Group, Inc.’s fee application by category of work. The exhibit is taken directly from the electronic entries the firm supplied this office.

1 **19. Exhibit “P” – NERA**

2 Exhibit “P” summarizes NERA’s fee application by category of work. The exhibit is
3 taken directly from the hard copy entries the firm supplied this office.

4 **20. Exhibit “Q” – The Brattle Group – Travel Costs**

5 Exhibit “Q” identifies travel costs incurred by the Brattle Group, Inc. I extracted this
6 category of expenses directly from the electronic time and expense records the firm
7 supplied my office.

8 **21. Exhibit “R” – Cooley Godward, Oll**

9 Exhibit “R” identifies all time professionals at the Cooley firm billed to matters
10 involving the CPUC’s Oll dated April 3, 2001. I identified these entries by searching the
11 electronic time records supplied to this office for Oll-related entries.

12 **22. Exhibit “S” – Howard Rice, Multiple Attorneys**

13 Exhibit “S” identifies all Howard Rice employees (staff and professionals) who
14 attended disclosure statement hearings. I identified these entries by searching the
15 electronic time records supplied to this office for time spent attending disclosure statement
16 hearings.

17 **23. Exhibit “T” – Howard Rice, Prof. Tribe-related work**

18 Exhibit “T” identifies all Howard Rice time incurred in relation to Professor Tribe’s
19 work on the PG&E case. I identified these entries by searching the electronic time records
20 supplied to this office for entries with Professor Tribe’s name.

21 **24. Exhibit “U” – Milbank Plan Implementation**

22 Exhibit “U” is a print out of all the time Milbank billed to the category “plan
23 implementation.” The print out is only a paper copy of the time records the time supplied by
24 the firm to this office electronically, summarized by totals I added.

25 **25. Exhibit “V” – Skadden – Clerical Time**

26 Exhibit “V” is a summary of all time billed by clerical employees at the Skadden firm.
27 I pulled the information from the electronically-submitted time records. I recalculated the
28 time using the court-approved \$40/hr. rate for clerical time and summarized the difference

1 between the firm's billing and fee request and what should be allowed.

2 I declare under penalty of perjury of the laws of the State of California that the
3 foregoing is true and correct. Executed this ____ day of June, 2002, at San Francisco,
4 California.

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7 Patricia A. Martin
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